



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

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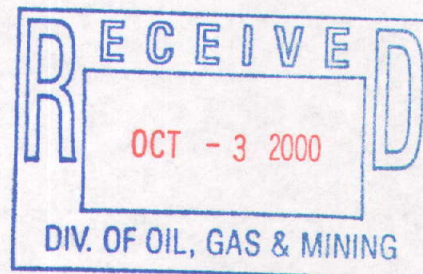
S/003/012

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October 2, 2000

CERTIFIED MAIL NO. P 973 115 013

Northern Stone Supply  
P.O. Box 249  
Oakley, ID 83346



RE: ML 43106-BSLS; Surety Bond No.

DOGM # S/003/012



Dear Mr. Mullard,

On August 24, 2000, the Trust Lands Administration requested you to submit a Surety Rider increasing the amount of Surety Bond No. to \$25,000.00. The Surety Rider which you submitted is unacceptable to the Director because it precludes cumulative liability. The rider in fact stipulates that the Surety will not be responsible for any acts or defaults occurring before September 12, 2000. Yet, most of the surface disturbances and production to date from the leasehold occurred prior to September 12, 2000. I am therefore returning the surety rider to you because it does not meet the requirement of cumulative liability.

From date of this letter Lessee has thirty days to submit a new bond in the amount of \$25,000.00. Such bond must provide coverage for all past, current and future activities of Northern Stone Supply with respect to mineral lease ML 43106.

Also, please be advised that the Division of Oil, Gas & Mining GPS map which you asked me to accept in-lieu of a detailed mine map is unacceptable. Within the next thirty days please provide me with a detailed mine map as requested by my letter of August 24, 2000.

Failure of Lessee to timely comply with the above requirements shall be considered breach of the terms and conditions of the lease. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake  
Mineral Resources Specialist

cc: Lynn Kunzler

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